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ECONOMICS
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ADMINISTRATION

U.S. Census Bureau

This release contains sensitive economic
data not to be released before 8:30 a.m. Thursday,
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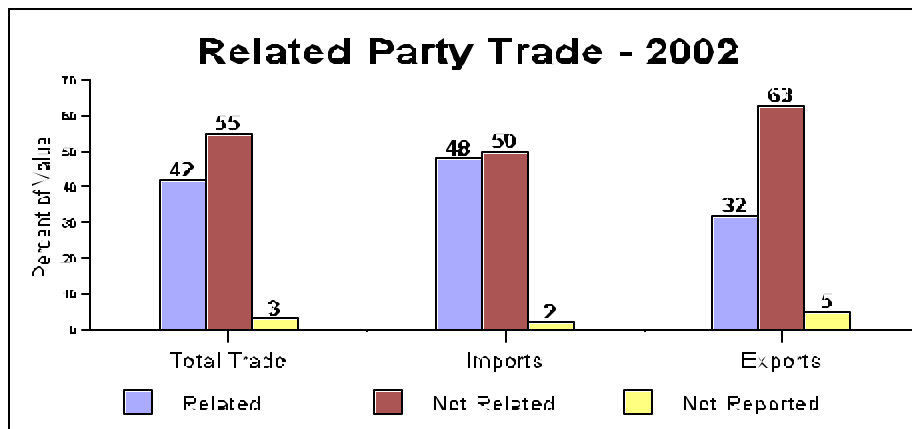


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U.S. GOODS TRADE: Imports & Exports by Related Parties; 2002

The U.S. Census Bureau, U.S. Department of Commerce, announced today that in 2002 related party trade accounted for \$770 billion or 42 percent of total goods trade. Related party trade accounted for \$549 billion or 48 percent of the total imports, and \$221 billion or 32 percent of the total exports. In 2001 related party trade was 40 percent of total goods trade, 47 percent of total imports and 31 percent of total exports. Most of the increase on the export side was due to more complete reporting. *Related party trade* includes trade by U.S. companies with their subsidiaries abroad as well as trade by U.S. subsidiaries of foreign companies with their parent companies.



The ratio of goods trade by related parties varies markedly among our major trading partners, from highs of 76 percent for imports from Japan and 43 percent for exports to Mexico to lows of 13 percent for imports from Hong Kong and 12 percent for exports to China and OPEC countries. Almost all major trading partners increased their related trade shares in 2002, with Taiwan and Germany on the export side and France, United Kingdom, Japan, Argentina and Brazil on the import side increasing by three percentage points or more each. The largest increase for a country grouping, almost 4 percentage points, occurred with imports from Other

Pacific Rim countries. Related party trade with selected countries and world areas is presented in Exhibits 1 and 2.

Roughly 48 percent of goods traded with our North American partners consisted of transactions between related parties. This was up from 47 percent in 2001. Most of this increase occurred on the export side where related trade increased from 40 percent in 2001 to nearly 43 percent in 2002.

Exhibits 3, 4, 5, and 6 provide commodity information in terms of the North American Industry Classification System (NAICS), thereby providing a direct link to domestic production data. Related party trade is concentrated in a few 3-digit NAICS codes. In 2002, the top five 3-digit NAICS codes (by value) accounted for approximately 76 percent of total related party imports and 66 percent of the total related party exports. NAICS 336 (Transportation equipment) and NAICS 334 (Computer and electronic products) were numbers one and two, respectively, for both directions of trade. (Refer to Exhibits 3 and 5.)